A. LABOR SUPPLY

1. Static Labor Supply Models

a) Unitary Models: Theory and Estimates

for undergrad-level background, see Borjas, chapter 2.


b) Models with Household Production


c) Non-Unitary Models: Theory


d) Non-Unitary Models: Evidence


e) Forced Labor:

Acemoglu, Daron and Alexander Wolitzky “The Economics of Labor Coercion” *Econometrica* 79 (2) (March 2011)

2. Life Cycle Labor Supply

Overview:


a) Theory and Econometric Studies

for undergrad-level background, see Borjas, pages 70-78.


For other recent developments, see the papers presented at the May 2012 IZA Workshop: Recent Advances in Labor Supply Modeling

b) Experiments and Case Studies


Pan, Jessica. Labor Supply Decisions of Singaporean Cab Drivers, October 2013, with Sumit Agarwal, Mi Diao and Tien Foo Sing


Henry S. Farber Why You Can’t Find a Taxi in the Rain and other Labor Supply Lessons from Cab Drivers Quarterly Journal of Economics published 13 July 2015, 10.1093/qje/qjv026 [Abstract] [PDF]


c. Labor Supply of Salaried Workers


3. Labor Supply within the Firm: Principal-Agent Models and Personnel Economics

Overviews:


a) The Basic Moral Hazard Problem and the Economics of Piece Rates


Ariely, Dan; Gneezy, Uri; Loewenstein, George; Mazur, Nina. “Large Stakes and Big Mistakes” Review of Economic Studies, vol. 76, no. 2, April 2009, pp. 451-69


b) The Threat of Job Loss as a Work Incentive: Efficiency Wages and Deferred Compensation


Shapiro, Carl and Joseph E. Stiglitz, "Equilibrium Unemployment as a Worker Discipline Device". American Economic Review, vol. 74, no. 2, June 1984, pp. 433-44 (see also the comments and replies in the Sept and Dec 1985 issues)


c) Incentives with Multiple Workers—Peer Effects


d) Multiple Workers—Tournaments


e. Multiple Workers-- Teams


Goerg, Sebastian, Sebastian Kube and Ro'i Zultan “Treating Equals Unequally: Incentives in Teams, Workers' Motivation and Production Technology” IZA discussion paper No. 3959, January 2009 now published

Kuhn, Peter and Marie Claire Villeval. "Are Women More Attracted to Team Incentives than Men?" forthcoming, *Economic Journal*

f. Multiple Tasks


Omar Al-Ubaydli, Steffen Andersen, Uri Gneezy, John A. List. “Carrots that Look Like Sticks: Toward an Understanding of Multitasking Incentive Schemes” #18453 (LS).

g. Repeated Interactions— Career Concerns


Lim, Jongha, Berk A. Sensoy, Michael S. Weisbach “Indirect Incentives of Hedge Fund Managers” NBER wp. #18903.

h. Repeated Interactions— Ratchet Effects

Mathewson, S. Restriction of Output among Unorganized Workers, New York, Viking Press (1931) chapter 3


i. Which Incentives When?


j. Executive Compensation


Brick, Ivan; Palmon, Oded; Wald, John K. “CEO Compensation, Director Compensation, and Firm Performance: Evidence of Cronyism?” Journal of Corporate Finance 12. 3 (Jun 2006): 403-423

4. Reciprocity, Gift Exchange and the Fair-Wage Effort Hypothesis

a. Fairness between Firms and Workers:


Lazear, Edward P., Ulrike Malmendier, and Roberto A. Weber “Sorting in Experiments with Application to Social Preferences” NBER working paper no. 12041 (February 2006)


**b. Fairness between Workers**


**5. Optimal contracts under social preferences**


**6. Long-Term Trends and International Differences in Work Hours**

a) Real Wage Trends:


b) **U.S. Labor Supply Trends—Men and Overall**


c) **U.S. Labor Supply Trends—Women**


Bailey, Martha J. Brad Hershbein, and Amalia R. Miller “The Opt-In Revolution? Contraception and the Gender Gap in Wages” NBER working paper #17922 (March 2012)


d) International Differences:


See also the 4 short papers on Micro versus Macro Labor Supply Elasticities in the May 2011 AER (pp. 471-491).


7. Incentive Effects of Taxes and Income Support Programs

a. Overviews


b. Examples


The last year of two of ReStud has some interesting papers on taxes and labor supply.

Farber, Henry S. and Robert G. Valletta “Do Extended Unemployment Benefits Lengthen Unemployment Spells? Evidence from Recent Cycles in the U.S. Labor Market” NBER working paper no. 19048


Christina D. Romer and David H. Romer The Incentive Effects of Marginal Tax Rates: Evidence from the Interwar Era AEJ Policy Vol. 6, Issue 3 -- August 2014


Enrico Moretti, Daniel Wilson The Effect of State Taxes on the Geographical Location of Top Earners: Evidence from Star Scientists NBER working paper no. 21120

Patrick M. Kline and Christopher R. Walters Evaluating Public Programs with Close Substitutes: The Case of Head Start

Rafael Lalove, Camille Landais and Josef Zweimüller. Market Externalities of Large Unemployment Insurance Extension Programs AER Dec 2015


B. LABOR DEMAND AND MARKET EQUILIBRIUM

1. The “Classic” Static and Alternative Labor Demand Models

for undergrad-level background, see Borjas, chapter 4.


Burdin, Gabriel. Equality under Threat by the Talented: Evidence from Worker-Managed Firms IZA working paper no. 7854, December 2013

2. Dynamic Labor Demand Models

for undergrad-level background, see Borjas, pages 147-154

a) Adjustment Cost Models


b) Implicit Contract Models


3. The Roy Model and other Static Assignment Models


4. Models of Imperfect Competition and Search

Robinson, Joan. *The Economics of Imperfect Competition* London: MacMillan 1938, chapter 26


Kuhn, Peter and Hani Mansour. “Is Internet Job Search Still Ineffective?” IZA discussion paper no. 5955 (September 2011), forthcoming in *Economic Journal*.


5. The Economics of Minimum Wages

a. Overviews/Books


b. Papers


Clemens, Jeffrey and Michael Wither. The Minimum Wage and the Great Recession: Evidence of Effects on the Employment and Income Trajectories of Low-Skilled Workers. NBER wp. #20724

Horton, John J. “Price Floors and Employer Preferences: Evidence from a Minimum Wage Experiment” unpublished paper, New York University

6. Effects of Overtime Laws


7. Effects of Unions


Sojourner, Aaron J., Robert J. Town, David C. Grabowski and Michelle M. Chen “Impacts of Unionization on Employment, Product Quality and Productivity: Regression Discontinuity Evidence From Nursing Homes” NBER working paper no 17733 January 2012


Dube, Arindrajit, Ethan Kaplan, Owen Thompson: Nurse Unions and Patient Outcomes IZA discussion paper no. 8259, June 2014.

8. Payroll Taxes and Mandated Benefits

Borjas, pp. 171-181.


9. Evidence on Implicit Contracts and Dynamic Labor Demand


10. Effects of Employment Protection Laws (EPLs):


11. Effects of Job Search Assistance:

C. UNDERSTANDING WAGE DIFFERENTIALS BETWEEN JOBS AND WORKERS

1. Compensating Differentials


2. Education and Earnings

(note—this is an abbreviated list; this topic will be covered in more depth in Economics 250B and C).

Mincer, Jacob. *Schooling, Experience and Earnings*.


Heckman, James Rodrigo Pinto and Peter Savelyev. “Understanding the Mechanisms through Which an Influential Early Childhood Program Boosted Adult Outcomes” AER Oct 2013

3. Training and Careers

Overviews:


a) Theory-- On-the-Job Training:


**b) Theory—Search and Matching:**


**c) Theory—Learning:**


Chiappori, P-A., B. Salanie and J. Valentin, "Early Starters versus Late Beginners" *Journal of Political Economy* 107(4) (August 1999)


d) Evidence


Huggett, Mark; Gustavo Ventura, and Amir Yaron. “Sources of Lifetime Inequality” *American Economic Review*, vol. 101, no. 7, December 2011, pp. 2923-54


e) More on Displaced Workers


Kroft, Kory, Fabian Lange, and Matthew J. Notowidigdo Duration Dependence and Labor Market Conditions: Theory and Evidence from a Field Experiment

4. Immigrant Assimilation and Immigrant Selection


Borjas, George J. “The Slowdown in the Economic Assimilation of Immigrants: Aging and Cohort Effects Revisited Again” NBER working paper no. 19116

Bijwaard, Govert and Jackline Wahba. “Immigrants’ Wage Growth and Selective Out-Migration” IZA DP No. 8627

5. Racial and Ethnic Wage Differentials

Overviews:


a. Theory/Background.


b. Evidence.


Feld, Jan, Nicolás Salamanca and Daniel S. Hamermesh. “Endophilia or Exophobia: Beyond Discrimination”, NBER working paper no 19471 (LS)


Neal, Derek and ArminRick. “The Prison Boom and the Lack of Black Progress after Smith and Welch” NBER working paper no 20283, July 2014


c. Policies:


6. Gender Wage Differentials

a. Background/Overviews


b. Theory


c. Evidence


Booth, Alison L. and Andrew Leigh. “Do Employers Discriminate by Gender? A Field Experiment in Female-Dominated Occupations” IZA discussion paper no. 4690 (January 2010).


Card, David, Ana Rute Cardoso, and Patrick Kline “Bargaining, Sorting, and the Gender Wage Gap: Quantifying the Impact of Firms on the Relative Pay of Women”


Marianne Bertrand, Emir Kamenica, and Jessica Pan. *Gender Identity and Relative Income within Households*

Amalia Miller and Carmit Segal “Do Female Officers Improve Law Enforcement Quality? Effects on Crime Reporting and Domestic Violence Escalation”

d. Policies


6. Sexual Orientation and Wages


7. Other Wage Differentials


D. UNDERSTANDING THE CHANGING U.S. WAGE DISTRIBUTION

1. More facts about wage trends


Alvaredo, Facundo Anthony B. Atkinson, Thomas Piketty, Emmanuel Saez The Top 1 Percent in International and Historical Perspective NBER working paper no. 19075.

2. Rising Inequality or Rising Instability?


Lemieux, Thomas; MacLeod, W Bentley; Parent, Daniel “Performance Pay and Wage Inequality” *Quarterly Journal of Economics*, vol. 124, no. 1, February 2009, pp. 1-49


4. Effects of Immigration

a) Theory


b) Evidence


Hanson, Gordon H. “Illegal Immigration from Mexico to the United States” *Journal of Economic Literature* 44(4) (December 2006): 869-924.


Aydemir, Abdurrahman and George J. Borjas “Attenuation Bias in Measuring the Wage Impact of Immigration” NBER working paper no. 16229 (July 2010).

Borjas, George J., Jeffrey Grogger, Gordon H. Hanson “Substitution Between Immigrants, Natives, and Skill Groups” NBER working paper no. 17461 (September 2011)

Cattaneo, Cristina Carlo V. Fiorio and Giovanni Peri “What Happens to the Careers of European Workers When Immigrants “Take Their Jobs”?“ IZA DP No. 7282


Foged, Mette and Giovanni Peri “Immigrants and Native Workers: New Analysis Using Longitudinal Employer-Employee Data” NBER working paper no. #19315

Beaudry, Paul, David A. Green, Benjamin M. Sand. In Search of Labor Demand NBER working paper no. 20568


Giovanni Peri, Kevin Shih, and Chad Sparber Foreign and Native Skilled Workers: What Can We Learn from H-1B Lotteries? #21175 http://papers.nber.org/papers/W21175?utm_campaign=ntw&utm_medium=email&utm_source=ntw


5. Effects of Other Supply Shocks


6. Effects of International Trade


Harrison, Ann, John McLaren, and Margaret S. McMillan “Recent Findings on Trade and Inequality” NBER wp #16425, September 2010


Autor, David H., David Dorn, Gordon H. Hanson, Jae Song “Trade Adjustment: Worker Level Evidence” NBER working paper no. 19226

Ottaviano, Gianmarco I. P., Giovanni Peri and Greg C. Wright “Immigration, Offshoring, and American Jobs” AER, Aug 2013


Goos, Maarten, Alan Manning and Anna Salomons Explaining Job Polarization: Routine-Biased Technological Change and Offshoring AER Aug 2014:


Avraham Ebenstein, Ann Harrison, Margaret McMillan *Why are American Workers getting Poorer? China, Trade and Offshoring* NBER wp #21027

7. Effects of Technological Change


Michaels, Guy, Ashwini Natraj and John Van Reenen “Has ICT Polarized Skill Demand? Evidence from Eleven Countries over 25 years” unpublished manuscript, January 25, 2010 [document](#).


Beaudry, H., David Dorn, Gordon H. Hanson “Untangling Trade and Technology: Evidence from Local Labor Markets” NBER working paper no 18938

Beaudry, H., David Dorn, Gordon H. Hanson “The Geography of Trade and Technology Shocks in the United States” NBER working paper no. 18940


Seth G. Benzell, Laurence J. Kotlikoff, Guillermo LaGarda, Jeffrey D. Sachs. Robots Are Us: Some Economics of Human Replacement NBER wp #20941 (EFG LS PE PR)

JEP Symposium on Automation and Labor Markets, Summer 2015: Automation and Labor Markets

### 8. Rent Sharing and the Effects of Deregulation


Fuest, Clemens, Andreas Peichl, and Sebastian Siegloch. “Do Higher Corporate Taxes Reduce Wages? Micro Evidence from Germany” IZA discussion paper no. 7390

Card, David, Ana Rute Cardoso, and Patrick Kline “Bargaining and the Gender Wage Gap: A Direct Assessment” IZA discussion paper no. 7592
E. UNDERSTANDING THE GREAT RECESSION


Feng, Shuaizhang, and Yingyao Hu. “Misclassification Errors and the Underestimation of the US Unemployment Rate” AER April 2013 (vol. 103, Issue 2).


Kroft, Kory, Fabian Lange, Matthew J. Notowidigdo and Lawrence F. Katz. “Long-Term Unemployment and the Great Recession: The Role of Composition, Duration Dependence, and Non-Participation” NBER working paper no. #20273 July 2014

